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Sen. Birkholz urges governor to sign legislation to attract, keep jobs in Michigan

LANSING – State Sen. Patty Birkholz, R-Saugatuck Township, called on Gov. Jennifer Granholm today to sign legislation that could immediately help bring new jobs to Michigan's sluggish economy.

Senate Bill 175 was approved by both the House and Senate today. The bill amends current law to allow local units of government to grant property tax abatements to large-scale warehousing and distribution centers.

"Once again we have sent economic relief legislation to the governor and I sincerely hope she does the right thing and sign this bill to help Michigan workers," Birkholz said. "I have three major furniture manufacturers in my district that are feeling the pressure from cheaper labor and taxes elsewhere. This credit will help keep them in Michigan and will help encourage similar companies to locate here."

Recently, a large food distribution company – Performance Foods – chose to locate in Indiana rather than Michigan. The fact that communities in Michigan were not able to offer tax abatements was specifically cited by the company as a reason they chose to locate elsewhere.

In a letter hand delivered to the governor today, Sen. Cameron S. Brown, R-Fawn River Township, sponsor of SB 175, cited another major employer that is considering locating in Michigan:

"Today, a Fortune 100 company is close to making a decision between locating in the village of Constantine or sites just across the border in Indiana," wrote Brown. "The company would bring more than 400 quality jobs, which would clearly be a significant boost to the economy not just of Constantine or St. Joseph County, but the entire state. Unfortunately, the village, like other Michigan communities, finds itself at a competitive disadvantage with its neighbors to the south. Unable to offer a tax abatement, they are rightfully concerned the company will locate a few miles away in Indiana."

The Plant Rehabilitation and Industrial Development Districts Act, enacted in 1974, was designed as part of an economic incentive package to stimulate economic development and create a better business environment. Under the act, local governments can exempt a facility for up to 12 years.

SB 175 extends the act to include warehouse facilities and distribution centers.

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